

Message Text

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ACTION NEA-16

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EB-11 EPA-04 HEW-08 HUD-02 INR-10 INT-08 LOC-01

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FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 2051

C O N F I D E N T I A L NEW DELHI 7881

E.O. 11652: GDS

TAGS: TECH, IN

SUBJ: GOI CIRCULAR ON NEW SPECIAL FOREIGN CURRENCY RESEARCH
PROJECTS: A SECOND LOOK

REF: NEW DELHI 7438

1. WE WANT TO CLARIFY SEVERAL POINTS ABOUT THE GOI CIRCULAR DESCRIBED IN REFTEL. THIS DOCUMENT WAS NOT ADDRESSED TO US AND IN FACT THE GOI DOES NOT OFFICIALLY KNOW THAT WE HAVE IT. A COPY WAS GIVEN TO US UNDER THE TABLE. THEREFORE, WE DO NOT NOW HAVE A BASIS FOR RAISING OFFICIALLY ANY QUESTIONS ABOUT IT. WE THINK THE BEST WAY OF DEALING WITH THE CIRCULAR IS TO FOLLOW CLOSELY EXPERIENCE IN EACH CASE REGARDING NEW PROJECTS.

2. THE MOST IMPORTANT THING ABOUT THE CIRCULAR, OF COURSE, IS THAT IT CONSTITUTES A FORMAL GREEN LIGHT TO INDIAN AGENCIES TO GET BACK INTO BUSINESS. IT HAS TAKEN US A LONG TIME TO GET HERE, BUT NOW THE INDIAN RESEARCH AGENCIES FINALLY HAVE WHAT THEY WANT TO GET THE PROCESS STARTED WITH DUE SPEED.

3. IN REGARD TO THE CIRCULAR'S REFERENCE TO PAST LEVELS OF
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RESEARCH FINANCED FROM US-HELD RUPEES, WE THINK THIS MAY BE

ONLY A PLEA TO THE SCIENTIFIC AGENCIES OF THE GOI NOT TO INUNDATE THE MINISTRY OF FINANCE WITH RESEARCH PROPOSALS. WE KNOW, FOR EXAMPLE, THAT CERTAIN MINISTRIES, SUCH AS HEALTH, HAVE HOPES FOR A CONSIDERABLE INCREASE IN PROJECTS. THIS DOES NOT LOOK LIKE A FORMAL CEILING TO WHICH WE MIGHT OBJECT EVEN IF WE HAD BEEN GIVEN THE CIRCULAR OFFICIALLY. LET US WAIT AND SEE IF THIS IS A PROBLEM.

4. IF THE REFERENCE TO THE USE OF AIR INDIA FOR TRAVEL BETWEEN INDIA AND THE US REFERRED TO THE TRAVEL OF AMERICAN SPONSORS OF RESEARCH PROJECTS, IT WOULD CLEARLY BE UNACCEPTABLE. BUT THE GUIDELINES STATEMENT THAT A RESEARCH PROPOSAL SUBMITTED BY AN INDIAN AGENCY THROUGH THE MINISTRY OF FINANCE MUST SPECIFY THAT INTERNATIONAL TRAVEL WILL BE PERFORMED ON AIR INDIA HAS NOTHING TO DO WITH TICKETS FOR INTERNATIONAL TRAVEL PURCHASED BY THE US GOVERNMENT. WHAT THE CIRCULAR SAYS IS THAT TRAVEL FUNDED BY RESEARCH GRANTS GIVEN TO INDIAN INSTITUTIONS SHOULD BE ON AIR INDIA. PAST PRACTICE ON THIS HAS VARIED. ON OCCASION WE HAVE LEFT TO INDIAN INSTITUTIONS TO ARRANGE FOR TRAVEL FUNDED FROM THEIR GRANTS. THEY HAVE USED AIR INDIA. ON OTHER OCCASIONS THE EMBASSY HAS ARRANGED FOR INTERNATIONAL TRAVEL AND HAS, OF COURSE, DONE SO WITH AMERICAN CARRIERS. WE THINK IT BETTER NOT TO MAKE A BIG ISSUE OUT OF THIS SPECIAL CASE. WE RETAIN OUR RIGHT TO FINANCE ANY TRAVEL WE WANT TO DO WITH RUPEES IN THE WAY WE WANT TO DO IT. THAT'S IMPORTANT, AND IT'S ALSO IMPORTANT THAT THE TRAFFIC LIGHT HAS CHANGED FROM RED TO GREEN ON THE WHOLE SUBJECT OF RUPEE GRANTS. AT ANY RATE, WE CAN'T DO ANYTHING UNTIL WE ARE FACED WITH AN ACTUAL CASE.

5. WITH RESPECT TO THE TRAVEL ISSUE, PLEASE IN PARTICULAR NOTE THAT FOR THE PAST FIFTEEN YEARS OR SO WE HAVE BEEN USING "BLOCKED" INDIAN RUPEES TO PURCHASE TICKETS ON AMERICAN CARRIERS. NOT ONLY FOR THOSE OF US WHO WORK HERE, BUT FOR ANY AND ALL MANNER OF WASHINGTON OFFICIALS WHO CAN CONTRIVE TO TOUCH DOWN IN DELHI AT SOME POINT IN THEIR TRIPS ROUND THE WORLD. FOR SOME UNACCOUNTABLE REASON THE GOVERNMENT OF INDIA HAS NEVER OBJECTED TO THIS. IT IS FAR MORE IMPORTANT FOR US TO BE ABLE TO CONTINUE THIS PRACTICE THAN IT IS TO PICK UP A FEW PLANE TICKETS FROM INDIAN BIOLOGISTS. LETS LEAVE A VERY GOOD ARRANGEMENT THE WAY IT IS. MOYNIHAN
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